



Liquor Store Donations Policy		
Original Adoption:	11/22/2016	Reference No. FIN-009
Reviewed/Updated:	TBD	

**PURPOSE:** To prescribe the policies and procedures for the municipal liquor store to make donations, contributions and/or sponsorships of money or in-kind.

**SUMMARY:** The City of Mound owns and operates a municipal liquor store commonly known as Harbor Wine & Spirits and, as a municipal entity, is governed by the State of Minnesota statutes. Per the Office of the State Auditor's Statement of Opinion, in most circumstances, public entities have no authority to give away public funds as donations. Generally, in order to spend money, a public entity must have authority to do so. Authority for an expenditure may be specifically stated in statute or charter, or it may be implied as necessary to do what an express power authorizes. In addition, the expenditure must be for a "public purpose."

Following these general principles, in-kind services, donations of product and/or gift cards to people, non-profits, charities, or other groups are generally not permitted. In some cases, a specific contract for services may be put in place documenting the exchange of value and determining that there is a clear public purpose in doing so.

Cities (and their municipal liquor stores) may be able to advertise the "resources of the community" per Minn. Stat. § 469.188. Advertising may be accomplished in multiple ways, and the Liquor Store Manager must determine how to spend the available budget. In addition, promotional items received from vendors at no cost to the City and no retail value may be "re-gifted" to local organizations for fundraising purposes.

**PROCEDURES:**

1. The liquor store manager will require all requests for donations to be in writing and will use his judgment to determine if honoring the request serves the interests of the liquor store either in the form of advertising or by re-gifting a vendor's promotional item, assuming there are items available.
2. Advertising product and services in publications will comply with Minn. Stat. § 469.188. Advertising must reach a large, local audience (exp. newspapers, resource guides, programs, etc)
3. A contract for service must be authorized by the City Council for any services provided to non-profits, charities, or other groups citing specific statutory authority, documenting the exchange of value and determining that there is a clear public purpose in doing so (exp. Spirit of the Lakes Festival).
4. In no event will product that can be sold in the store or gift cards be given away for free.